Banking you can believe in

Cash ISAs

Special conditions

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Contents

Section A
Words with special meanings 3

Section B
General terms that apply to your account 6

Section C
Specific conditions for Instant Access Cash ISA 14

Section D
Specific conditions for Notice Cash ISA 16

Section E
Specific conditions for Fixed Term Deposit Cash ISA 18
Section A: Words with special meanings

The special conditions set out below apply to the cash ISA (CISA) account. These special conditions are in addition to the conditions which apply to our banking services generally, copies of which we gave you when you first became a customer (further copies are available from us on request). The conditions and these special conditions form the agreement between us for the provision of a CISA account. The conditions comprise a separate framework contract for payment services applicable to all accounts. In the event of a conflict between these special conditions and the conditions, these special conditions shall apply.

These special conditions are divided into: general terms that apply to all cash ISA accounts that we offer to personal customers and specific conditions that apply to each particular cash ISA account based on the account type and features. In the event of a conflict between the general terms and the specific conditions in these special conditions, the specific conditions shall apply.

In the sections of this booklet that follow, words are used that have special meanings. We have put these special words in bold text to help you identify what those special words mean when used in this booklet. You should refer to the words with special meanings set out in the conditions, as some of those special words are also used below.

The following are the special words that are used, together with their special meanings:

<table>
<thead>
<tr>
<th>Special word</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>account</td>
<td>Your account(s) held with us or the “account”, which is one or more of the following savings products: Instant Access Cash ISA (IACISA), Notice Cash ISA (NCISA) or Fixed Term Deposit Cash ISA (FTDCISA). The conditions and these special conditions apply to your account, even if the name on the account or the number changes.</td>
</tr>
<tr>
<td>special conditions</td>
<td>The special conditions that govern your cash ISA account(s) are described in this booklet. The booklet is divided into general terms (Sections A and B of this booklet) that apply to all cash ISA products offered by us and specific conditions (Sections C, D and E of this booklet) that relate to each cash ISA product, which will apply to your chosen account and you agree to be bound by.</td>
</tr>
<tr>
<td>Special word</td>
<td>Meaning</td>
</tr>
<tr>
<td>--------------</td>
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</tr>
<tr>
<td>calculation date</td>
<td>The last <strong>working day</strong> in each calendar month, quarter or on maturity as applicable to your account.</td>
</tr>
<tr>
<td>cash ISA (Individual Savings Account)</td>
<td>A savings product that allows a UK resident over the age of 16 to invest up to a set total limit in each <strong>tax year</strong> (6th April to 5th April), with the income received as a result of these cash savings being tax free as governed by the <strong>regulations</strong>.</td>
</tr>
<tr>
<td>conditions</td>
<td>The terms and conditions that apply to our banking services, as detailed in the consumer banking terms and conditions booklet.</td>
</tr>
<tr>
<td>deposit amount</td>
<td>The amount of funds available in your account to be invested by us, and which is intended to be a cash ISA deposit for the purposes of the Financial Services and Markets Act (FSMA) 2000 as detailed in clause 7 of these special conditions.</td>
</tr>
<tr>
<td>deposit profit</td>
<td>The actual profit paid to your account in accordance with the applicable <strong>profit period</strong>, or on the date of termination of your account.</td>
</tr>
<tr>
<td>expected profit rate</td>
<td>The expected profit rate applicable to your account, as published on our website and/or in our branches, on a monthly basis, or by any other method agreed with you.</td>
</tr>
<tr>
<td>profit period</td>
<td>A monthly period equivalent to a calendar month for Instant and Notice cash ISA accounts or a quarterly period for Fixed Term cash ISA account.</td>
</tr>
<tr>
<td>regulations</td>
<td>The Individual Savings account <strong>Regulations</strong> 1998 (as amended or replaced from time to time).</td>
</tr>
<tr>
<td>Sharia Supervisory Committee</td>
<td>The committee we have established, comprising of eminent religious scholars to advise us on the Sharia rules and principles upon which our products and services, including your account, will operate.</td>
</tr>
<tr>
<td>Special word</td>
<td>Meaning</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>start date</td>
<td>The day we receive your deposit amount in cleared funds or such later date as we agree between us, which is the day when your deposit will start and which must be a working day.</td>
</tr>
<tr>
<td>tax year</td>
<td>A year beginning on 6 April and ending on 5 April in the following calendar year.</td>
</tr>
<tr>
<td>transfer from another ISA</td>
<td>Transferring money from another ISA to your account with us using the ISA transfer process.</td>
</tr>
<tr>
<td>you and your</td>
<td>The person signing the application form for a cash ISA. The words “you” and “your” are to be construed according to the context.</td>
</tr>
<tr>
<td>Wakala fee</td>
<td>The fee due to us in respect of your account, as specified in clause 6 of these special conditions.</td>
</tr>
<tr>
<td>we, us and our</td>
<td>Al Rayan Bank PLC, Registration No. 4483430. Our registered office is 44 Hans Crescent, Knightsbridge, London, SW1X 0LZ.</td>
</tr>
<tr>
<td>working day</td>
<td>Any day on which banks are usually open for business in the United Kingdom, excluding Saturdays, Sundays and bank or other public holidays.</td>
</tr>
<tr>
<td>withdrawal</td>
<td>A partial or full withdrawal or transfer out from your cash ISA account, which is subject to any applicable withdrawal restrictions to your account in accordance with clauses 15 and 18 of these special conditions.</td>
</tr>
<tr>
<td>withdrawal notice</td>
<td>A notice form in accordance with clause 15, which is available online, by post and in branch, sent by you to us informing us of your intention to withdraw or transfer out a certain amount from your NCISA account.</td>
</tr>
</tbody>
</table>
Section B: General terms that apply to your account

1. The Cash ISA (CISA) account

1.1 The Cash ISA account is designed for individuals (singular) who wish to open a CISA in compliance with Sharia principles.

1.2 Unlike conventional ‘interest paying’ cash ISA deposit accounts, we do not pay interest on the CISA. Instead we place the deposit amount in Sharia compliant investments that we select. At the end of each profit period we will calculate your deposit profit and credit your account with the amount you earned during that profit period. Additional information concerning the operation of your account can be found in our CISA leaflet, a copy of which we will give you when you open your account (further copies available on request).

1.3 The procedures to be followed on your account are set out in these special conditions, which also incorporate the specific conditions applicable to each cash ISA account.

1.4 In opening a CISA account you acknowledge that your money will be consolidated with our funds, including any other funds belonging to our other customers, and that your money will be invested in accordance with these special conditions.

1.5 We operate our CISA in strict accordance with the rulings and guidance given by our Sharia Supervisory Committee. By agreeing to these CISA special conditions you agree to be bound by the rules and guidance of our Sharia Supervisory Committee, with respect to all matters relating to the interpretation and application of Sharia to the account.

1.6 The administration of your CISA will be carried out by us. If you have any questions as to how the account operates in practice, our staff will be happy to answer your questions.

2. Eligibility

2.1 You can open a CISA with us in Sterling only and all deposits must be in Sterling.

2.2 To open a CISA you must be at least 16 years of age and either (a) resident and ordinarily resident in the United Kingdom for tax purposes or (b) subject to United Kingdom tax under Section 28 of the Income Tax (Earnings and Pensions) Act 2003, or married to such a person. You must inform us if these special conditions no longer apply to you.

2.3 The CISA must be in your sole name and all funds deposited in it must belong to you.
2.4 You must not pay into more than one cash ISA account in any one tax year.

2.5 HMRC ISA Regulations state that if you do not make a deposit into your cash ISA in any tax year (other than the year of application), you will need to complete a new application form if you want to make deposits in a later year.

2.6 Your right to the deposit amount and the deposit profit from your account is not transferable to any other party.

2.7 We can refuse to open a CISA or to accept a deposit without giving you any reason.

3. Opening and running of your account

3.1 Your account must be opened with a valid application form. It will start from the date we open it and applications cannot be backdated.

3.2 The account is operated in accordance with the Islamic finance principle of Wakala.

3.3 You agree for the placement of the deposit amount, at our own discretion, in Sharia compliant transactions as applicable to the term and investment period of your account.

3.4 You hereby authorise us to enter into any Sharia compliant transactions to enable us to fulfil our obligations under the account special conditions.

3.5 We will not assume, or be deemed to have assumed, any additional obligations to, or to have any special relationship with you, other than those for which specific provision is made in these CISA special conditions.

3.6 You agree to:

3.6.1 pay us the deposit amount

3.6.2 authorise us to arrange for payment and collection of funds, and to execute and deliver any endorsements, assignments or any other instruments required in connection with your account.

3.6.3 comply with these special conditions and all other conditions that apply to this account.

3.7 We agree:

3.7.1 to invest the deposit amount in Sharia compliant transactions

3.7.2 to calculate the deposit profit generated on your deposit amount, on a daily basis, and to credit your account with the deposit profit accrued at each profit period as applicable to your account. As long as you and your CISA continue to qualify, profit will be paid tax-free in accordance with the regulations.
4. Operation of your account

4.1 You can make payments into your account (subject to any specific restrictions applicable to FTDCISA) using our online banking service, if you are registered for this, by post, in a branch or by telephone, if you are registered for telephone banking. For details of the payment options available to you please refer to the conditions.

4.2 If you want to use our online banking service or telephone banking service to operate your account, you must already be registered for our online banking service or telephone banking service and have accepted our online banking service or telephone banking service terms and conditions, or do so as part of the application process for your account. You may register for our online banking service or telephone banking service by calling us on 0800 4086 407.

4.3 If you have registered for our online banking service, we may send you any communication relating to your account, including but not limited to variations to the terms or applicable expected profit rate to your account, by secure messages via our online banking service or by post. You must access the online banking service to check your secure messages and balance regularly, at least once every thirty (30) days.

5. Deposits and withdrawals

5.1 If you have opened a CISA account, you can pay all or part of your yearly cash ISA allowance or transfer cash ISA subscriptions from previous years into your account at any time (subject to any specific restrictions applicable to FTDCISA). You can do this by:

a) A transfer from a cash ISA account with us (subject to any restrictions on transfer out or any applicable reduction of profit for immediate transfer out request, see sections D and E), or another ISA provider which you have subscribed to in the same tax year or in previous tax years (in which case you must complete a cash ISA transfer form as part of your application); or

b) Paying money into your account at any branch, or by transferring money from another account in accordance with the regulations.

5.2 The maximum amount you can pay into a cash ISA in any tax year is set by HM Treasury. To find out the latest allowance you may contact us or HMRC at www.hmrc.gov.uk.

5.3 You can make a withdrawal or transfer out, by completing a transfer form, to another ISA account from your CISA at any time (subject to any restrictions on transfer out or any applicable profit reduction for immediate transfer out request, see sections D and E).

5.4 After making a payment or withdrawal, you will not be able to pay more money into your CISA, if this means you will be paying in more than the yearly cash ISA allowance set by HM Treasury.
5.5 You can ask to transfer out the whole of your account's subscriptions during a tax year, (subject to clause 5.3) in which you have made payments into it, or the whole or part of your account deposits (and profit) from a previous tax year or years, to be held in another cash ISA and/or a stocks and shares ISA with another ISA provider (subject to agreement from the new ISA manager). You must complete a transfer application form with your new provider, who will send the transfer application to us. Within five (5) working days of us receiving both your instructions in writing to make a transfer, and confirmation from your new ISA provider that they are prepared to accept the transfer, we will transfer to the new ISA provider the subscriptions specified in the transfer instructions together with all required information. It should take no more than fifteen (15) working days to transfer a cash ISA.

5.6 If the regulations and HM Revenue & Customs guidance prevents us from refunding an unauthorised transaction into your account, we will pay the refund to you in accordance with your instructions (if you do not tell us how you would like us to pay the refund, we will send you a cheque).

6. Our Wakala fee

6.1 We will agree a nominal Wakala fee with you of £1.

6.2 We shall be entitled to the Wakala fee and any profit generated by investing your deposit amount exceeding the expected profit rate as an incentive.

7. Our liability to you

7.1 Subject to 7.2 and 7.5 below, our liability pursuant to this clause 7.1 will be limited to the monetary amount of the relevant transaction in relation to the account pursuant to which our breach of contract or negligence occurred.

7.2 We will not be liable to you for any losses that are not directly associated with any damages arising from the operation of your account, loss of profits, loss of business, loss of goodwill or any form of special damages arising from the operation of the account, whether such liability was reasonably foreseeable or not and whether or not we have been advised of the possibility of such loss being incurred.

7.3 Where you use any third party aggregation service, we will not be liable to you for any fraud, mistakes on your account, losses that are not directly associated with any damages arising from the operation of your account, loss of profits, loss of business, or loss of goodwill resulting from, caused by or associated with such use of any third party aggregation service.

7.4 Unless we have failed to comply with our responsibilities under these special conditions, we will not be liable for any shortfall between the expected profit rate applicable to your account and the actual deposit profit paid at the calculation date.
7.5 Nothing in this clause 7 excludes our liability for fraud by us, our staff or agents or our liability for death or personal injury caused by our negligence or the negligence of our staff or agents.

7.6 Nothing in this clause 7 excludes our liability for losses you suffer as a direct result of our failure to comply with our responsibilities under the Financial Services & Markets Act 2000 or any successor legislation applicable to your account at any given time.

7.7 If your deposit amount returns a loss, we shall offer to make good the amount of any shortfall that you may have suffered. We are required by current UK bank regulations and policy, pursuant to clause 7.6, to make this offer to you. If you choose to accept this offer, you shall be entitled to receive payment from us of the full amount that you had previously deposited with us. You are entitled to refuse this offer from us.

7.8 We would like to draw your attention to the guidance offered by our Sharia Supervisory Committee. Their guidance is that if you accept our offer to make good the amount of any shortfall (set out in special condition 7.7), you will not be complying with Sharia principles.

7.9 In certain circumstances we may not be able to pay back to you the amount that we are obliged under these terms and conditions to pay back to you. If the terms of the Financial Services Compensation Scheme (FSCS) apply in these circumstances, you may be able to apply to the FSCS for payment of compensation.

7.10 If you have suffered a loss in respect of which we have made an offer to you which you have accepted (see special condition 7.7), you may be able to apply successfully to the FSCS for payment of compensation, if we fail to make payment to you in respect of that loss. If you have refused such an offer from us, you may not be able to apply successfully to the FSCS for payment of compensation in respect of the amount that was previously refused by you.

8. General provisions

8.1 Each provision of these CISA special conditions is severable, which means that should any individual provision become invalid or contravene any applicable legislation or regulatory requirement, the relevant provision will be deemed to be deleted from these special conditions and will have no force or effect. However, the remaining provisions of the account special conditions shall remain in force and effect.

8.2 We are required to provide details of all ISA holders to HMRC. If you are or become non-resident in the UK, HMRC may be required to share this information with tax authorities in your country of residence.

8.3 If you are connected with a country (for example because you have income or assets there, or are domiciled or resident there), you may be obliged by law to report your worldwide income to a tax authority in that country. You should seek tax advice, if you are in any doubt about your reporting obligations.
8.4 We will send you a statement each year showing transactions up to and including 5th April.

8.5 We will only send you a duplicate statement on request. There will be a reasonable charge for this which you will be notified of at the time of your request. This will be deducted from your CISA balance.

8.6 We may delegate any of our functions or responsibilities under this agreement to a third party. If we do so, we will first satisfy ourselves that the third party is competent to carry out those functions and responsibilities.

8.7 Subject to the regulations, we may vary or change any of these special conditions at any time.

8.8 The laws of England and Wales govern these special conditions.

8.9 These special conditions are provided to you in English, which is the language we will use to communicate with you throughout our dealings with you in relation to your account.

8.10 You have the right to cancel your IACISA, NCISA or FTDCISA without charge and without giving any reason or any advance notice, within fourteen (14) calendar days from either the date of opening the account, or from the date on which you receive the contractual terms and conditions and any other pre-contractual information, if that is later than the date of opening the account. If you cancel your CISA, you are free to subscribe to another ISA in the same tax year. If you decide to cancel, we will repay you any money you have paid together with any profit due on it, or help you to switch the balance to another account. To cancel this agreement you should tell us by writing to us at the address provided overleaf.

8.11 We both recognise and agree that the payment and receipt of interest is against Sharia principles and does not form part of any contractual entitlement in respect of this product. We both agree that neither of us will in any proceedings against the other, claim interest from the other, and we both expressly waive and reject any entitlement to recover interest from the other.

9. Changes to the ISA regulations

9.1 Any changes made by HMRC to ISA Regulations that affect these special conditions will apply as soon as they come into force.

9.2 Favourable tax treatment for ISAs may not be maintained (the Government is responsible for decisions about tax treatment).

10. Closing your account

10.1 You can close your account at any time, subject to restrictions applicable to FTDCISA and required notice period for our NCISAs, by letting us know in writing your intention to close your account. You must give us at least thirty (30) days’ notice, applicable only to the IACISA, of your intention to close your IACISA account.
10.2 You will not be able to close your NCISA account and withdraw your deposit if you have given us less than the required notice period, a profit reduction as set out in clause 15.1 will apply if you request an immediate transfer out of your balance and closure of your account.

10.3 You will not be able to close your FTDCISA account and withdraw your deposit during the term of your account, a profit reduction as set out in clause 18.4 will apply if you request an immediate transfer out of your balance and closure of your account.

10.4 Any profit earned up to closure will be tax-free. If you have made a deposit into your account in the same tax year as you close it, you cannot open a new cash ISA for the same tax year with us or any other cash ISA provider.

10.5 If your account stops qualifying as an ISA, we will close it and notify you. We will deduct income tax at the appropriate rate on the profit earned on your deposit so far, including any profit you have already been paid. The tax will be deducted from your account before the balance is paid to you.

10.6 Your account will cease to qualify as an ISA and the profit will become subject to the deduction of income tax in the following circumstances:
   (a) The terms of the declaration on the application form are or become untrue
   (b) You transfer any of your rights as an account holder or use your account as security for a financial liability
   (c) From the date of your death
   (d) HMRC instructs us accordingly

10.7 If you die, your account balance will normally be paid to your estate. When we receive notice of your death, we will close your account and pay any profit earned up to the date of death tax free. We will transfer the balance to a new account on which profit will be earned at the current instant access savings expected profit rates until further instruction is received.

10.8 We will notify you if, by reason of any failure to satisfy the provisions of HMRC ISA Regulations, your account becomes or will become subject to the deduction of tax.

10.9 All written communications sent by you to us regarding your account, including any withdrawal notice, should be sent to our office, at:

Al Rayan Bank PLC  
PO Box 12461  
Birmingham  
B16 6AQ

10.10 Subject to the regulations, the account can be closed by us, if we have reasonable grounds to believe that you are operating the account inappropriately or not in line with the conditions or these special conditions.
Section C: Specific conditions for Instant Access Cash ISA

11. General description

The Instant Access Cash ISA (IACISA) is a deposit account of no fixed duration. It is possible to make any number of payments into the account, subject to the allowed limits by HM Revenue & Customs (HMRC). It is also possible to withdraw money from the account at any time.

12. Eligibility

12.1 The minimum opening balance is £50.

12.2 You will not be penalised if your account falls below £50. However, we reserve the right to change the minimum balance amount at any time.
Section D: Specific conditions for Notice Cash ISA

13. General description

The Notice Cash ISA (NCISA) is a deposit account of no fixed duration. It is possible to make any number of payments into the account, subject to the allowed limits by HM Revenue & Customs (HMRC). It is also possible to withdraw money from the account, however, we ask that you give us the relevant notice that applies to your account before you withdraw.

14. Eligibility

14.1 The minimum opening balance is £250.

14.2 You will not be penalised if your account falls below £250. However, we reserve the right to change the minimum balance amount at any time.

15. Withdrawals

15.1 You can make a withdrawal or transfer out to another ISA account from your NCISA by giving us not less than 120 days written notice for the 120 day NCISA, or 60 days written notice for the 60 day NCISA. However, if you request an immediate transfer out, without giving us the required notice, you will only be entitled to the full deposit amount (if you are transferring your deposit amount in full) and the expected profit rate we pay, equal to the minimum expected profit rate product from our savings account range, at the date of transfer out. This will be instead of the applicable expected profit rate on your NCISA for the last profit periods, equal to the required notice period on your account.

15.2 Where you have requested or arranged that you will be transferring out or withdrawing your deposit in part or full, and your withdrawal is not made within twenty one (21) days (inclusive of non-working days) of the intended withdrawal date at the end of the withdrawal notice, the notice will be deemed to have expired and a further notice will be required.

15.3 The notice form can be requested through a branch, by phone, by post or online. Your withdrawal notice period will commence on the date we receive your notice.
Section E: Specific conditions for Fixed Term Deposit Cash ISA

16. General description
16.1 The Fixed Term Deposit Cash ISA (FTDCISA) is a deposit account of a fixed duration.

17. Eligibility
17.1 The minimum deposit amount is £1,000. The deposit amount must be made available for us to invest as cleared funds at the start date of your account.

18. Deposits and withdrawals
18.1 It is possible to make any number of payments into the account, given that such payments are made within the grace period of thirty (30) days from the account opening date, subject to the allowed limits by HM Revenue & Customs (HMRC).

18.2 You will not be able to add further funds to your account after the thirty (30) days grace period expires, after which the account will be locked.

18.3 You will not be able to make any partial or full withdrawal or deposit any further money into your account during the term, subject to clause 18.1 above in relation to the thirty (30) days grace period.

18.4 You have the right, according to the ISA regulations, to request an immediate transfer out of your funds partially or in full. If you do so, you will only be entitled to the full deposit amount (if you are transferring your deposit amount in full) and the expected profit rate we pay, equal to the minimum expected profit rate from our savings account range, at the date of your transfer out. This will be instead of the applicable expected profit rate on your FTDCISA for the last profit period, equal to ninety (90) days of profit. However, if your account has been only opened for thirty (30) days when you request a transfer out, the reduction of profit will apply for a period of thirty (30) days, and if your account has been opened for sixty (60) days, the reduction of profit will apply for a period of sixty (60) days.
19. **Accrued profit**

19.1 When you open your account, we will tell you the expected profit rate for your account. This expected profit rate will be maintained during the term of your account. A confirmation notice will be sent to you when your account is set up.

19.2 The deposit profit can be paid quarterly to your nominated account or you have the option to retain the deposit profit in your account to be paid all together at the maturity date. We may require (if necessary) that you have another account (current or savings) with us to which your deposit profit can be paid into.

19.3 Subject to clause 18.1 above, if you add more funds into your account during the grace period, profit will only accrue on the cleared balance in your account, which might affect the annual gross profit you receive on maturity. Therefore, you should take into account, when calculating the deposit profit you have received, whether or not you have deposited further funds into your account during the grace period, since the profit will accrue on those funds from the date they clear in your account and not from the account opening date.

20. **Maturity of your account**

20.1 At the end of the term of your account, if we do not receive any instructions from you regarding the matured deposit amount, your account will change to an Instant Access Cash ISA and the Instant Access Cash ISA specific conditions in Section C above, which are in use at the time your FTDCISA ends will apply, along with the applicable expected profit rate at that time. If we no longer offer the IACISA when your FTDCISA ends, we will let you know thirty (30) days before this happens with the relevant details.

20.2 If you decided that you do not want an IACISA account once your FTDCISA ends, you can ask us to:

a) switch your account to another ISA product we offer at the time;

b) move your money to another account with us or other provider (if this account is not an ISA it will lose its tax free status);

c) send your money to your linked account; or

d) transfer your funds to another ISA provider.
If we don’t get it right

Al Rayan Bank PLC will endeavour to ensure that you receive the highest standard of service and that you are treated with courtesy at all times. If you are unhappy with any aspect of our service, we would like to know why.

For a copy of our Customer Care leaflet dealing with our complaint handling procedures, please call our Customer Care team on 0800 4086 407.

General Data Protection Regulation (GDPR)

Under the GDPR you have the right of access to your records.

Should you wish to access this right please write to:

Data Protection Officer,
Data Subject Access Requests,
Customer Care Team,
Al Rayan Bank PLC,
24a Calthorpe Road,
Edgbaston,
Birmingham,
B15 1RP

Membership of the Financial Services Compensation Scheme

Al Rayan Bank PLC is a member of the Financial Services Compensation Scheme.

This scheme may provide compensation, if we cannot meet our obligations. For example, in respect of deposits with a UK office, payments under the scheme are limited to 100% of the first £85,000 of a depositor’s total deposits with the bank.

Most depositors including individuals and businesses are covered. The scheme covers deposits made with the offices of the bank within the European Economic Area.